



TAX ALERT

July 25, 2011

Current Proposal Would Eliminate the Low-Income Housing Tax Credit

Issue Summary

On July 18, 2011, Senator Tom Coburn (R-Oklahoma), proposed a deficit reduction plan (“[Back in Black](#)”) that includes repealing the Low-Income Housing Tax Credit (housing tax credit) program. Although the proposal is not currently a central focus of the immediate Congressional debt ceiling discussion, it may be central to impending larger deficit reduction discussions.

Suggested Action

The Affordable Housing Tax Credit Coalition prepared a [rebuttal piece](#) in response to Senator Coburn’s plan due to the proposal’s reliance on false reasoning and inaccurate data. Given the proposal’s inaccuracies and the significant job creation and economic benefit provided by the housing tax credit program, Reznick Group encourages its clients and industry professionals to read and sign-on to the Affordable Housing Tax Credit Coalition’s [rebuttal piece](#) by contacting the Coalition’s executive director Victoria Spielman by EOB, Wednesday, July 27, 2011 at 202.585.8162 or e-mail: victoria.spielman@taxcreditcoalition.org.

Issue

Currently in its 25th year, the housing tax credit program was enacted as part of the Tax Reform Act of 1986. As such, it was recently described as the “most successful federal affordable housing production and preservation program in the nation’s history” by the Harvard Joint Center as it has:

- Created approximately 152,000 jobs annually¹
- Stimulated \$87 billion of private sector capital for the development of affordable housing
- Provided investors with \$69 billion in tax credits over the course of 10 years

Due to its proven performance, value to the economy and to our clients, the housing tax credit is integral to our clients’ financial performance. Accordingly, Reznick Group wants clients to be aware of the Back in Black proposal and support the Coalition’s efforts to rebut it.

Contact

For more information, please contact your Reznick Group affordable housing professional. To learn more about Reznick Group’s services related to the LIHTC, visit us online at: www.reznickgroup.com/services/tax/tax-credit-advisory/low-income-housing.

¹ The Affordable Housing Tax Credit Coalition



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